

SPARSHOLT COLLEGE HAMPSHIRE
MINUTES OF THE MEETING OF THE
BOARD OF GOVERNORS
held on 6 October 2016 at 9.00 am

¹PRESENT Mrs E Bolton (S); Mrs Z Carter (E); Mr M Coombes (E); Mr A Hoad (E) (to minute 199); Mr N Hopkins (E); Mr T Jackson (P); Mr P Lloyd (E) (to minute 223); Mr S Morgan (E); Dr R Palmer (E); Miss A Robbins (St); Mr G Tabcart (S); Mr S Ward (E); Mr C Wilson (E).

In attendance: Mr S Horrobin, Director of Finance
Mr M Simmons, Deputy Principal
Mrs S Willson, Clerk to the Corporation

APOLOGIES AND MEMBERSHIP

167. Apologies were received from Miss M Brett, Mr R Fawcett and Mrs J Venables.
168. The Chairman welcomed Mr G Tabcart to his first meeting of the Board of Governors since his election as Staff Governor.

DECLARATION OF INTERESTS

169. A declaration of interests was made by Mr N Hopkins in relation to his external advisory role in the Area Reviews. The Board noted this was included in the College's Register of Interests and agreed that it was not necessary for Mr Hopkins to repeat his declaration at future meetings.
170. Declarations of interest were also made by Mr A Hoad in relation to the enrolment of his son at Sparsholt College from October 2016 and Mr T Jackson in relation to his directorship of Andover Town Football Club Limited.

MINUTES

171. **Resolved** – that the minutes of the meetings held on 7 July 2016 (Part I and II) be confirmed as a correct record and signed by the Chairman.

Anaerobic digester (min 147/16)

172. A member queried whether the building of an anaerobic digester by Ecotricity, subject to planning permission, would require any amendment to the College's insurance policies. The Director of Finance confirmed that the insurers were aware of the plans and no issues had been raised. The Principal undertook to confirm the position regarding the College's insurance and the third party's insurance.

CHAIRMAN'S REPORT

173. The Board had received the report of the Chairman which summarised activities he had undertaken since the previous meeting of the Board and upcoming events and matters requiring his consideration.

¹ (E) = External; (P) = Principal; (S) = Staff; (St) = Student

174. The Chairman noted in particular the discussions at a recent meeting with the Skills Funding Agency (SFA), attended by the Chairman, two other governors, the Principal and members of the Strategic Leadership Team (SLT), at which the actions undertaken over recent years by the Board and SLT to manage the College's financial position in order to maintain the quality of the educational offer, in particular in land-based, had been acknowledged by the SFA.

PRINCIPAL'S REPORT AND STRATEGIC PLAN

Strategic Plan 2016/17

175. The Board had received the report of the Principal providing an update on progress towards achieving the three-year objectives of the current Strategic Plan and against the annual milestones for 2016/17 and summarising key developments at the College since the previous meeting of the Board.
176. The Principal noted that it was too early in the academic year to provide a RAG assessment of some of the annual milestone objectives. Overall early progress against the annual milestones was good and there were currently no indications that any annual milestones would not be achieved by year-end.
177. Discussing the latest FE enrolments figures, a Member questioned whether management had undertaken any analysis as to trends in relation to enrollers from different local schools. The Principal confirmed that management had reviewed enrolments by school, particularly in relation to Andover College, and summarised the situation.
178. The Principal highlighted the position regarding HE student numbers and fee income, year on year, and that work was underway to model the impact of a different mix of new entrants, progressions, Top-up, Masters and Access to HE students on the 2016/17 budget.
179. The Principal explained the changes to the requirements of the Higher Education Funding Council for England (HEFCE) for governing bodies in the revised operating model for quality assurance. A governor was now required to sign a statement on behalf of the Board confirming the assurance the Board had received on the continuous improvement of the student academic experience and the outcomes and reliability of degree standards. The deadline for reporting on the 2015/16 academic year was 1 December 2016. This timescale meant that the assurance statement would be required before the next meeting of the Board.
180. **Resolved** – that authority be delegated to the Quality & Standards Committee to consider the annual report on HE quality assurance on behalf of the Board and for the Principal as a governor and the Accounting Officer to sign the assurance statement.

Strategic Plan 2015/16

181. The Board had received the fourth and final report of the Principal on the College's Key Strategic Objectives for the year to 31 July 2016.
182. Overall, the outcome in relation to the Annual Milestones for 2015/16 was good. There were two Annual Milestones which had not be realisable during the year, and one which had been only partially achieved, due to limitations on capital expenditure. The Annual Milestone relating to recruitment of international students had also not been achieved and it had been decided to continue targeting key markets in 2016/17.
183. Members sought clarification around the determination of "partially achieved" objectives and how the College ensured progress over a three year period, with appropriate actions

being put in place should Annual Milestones be only partially achieved for more than one year. The Principal confirmed that the progress against objectives informed the setting of the following year's Annual Milestones and that objectives and actions were refocused if needed.

RISK MANAGEMENT

184. The Board had received from the Principal the Risk Management Plan 2016/17 which outlined the College's approach to risk management, the main responsibilities and procedures for managing risk and set out the risk register monitoring framework.
185. The Principal explained that, following discussion at the Audit Committee, the risks were presented in a new format, aggregated under 9 summative risk headings, and that the termly assurance reports to the Audit Committee would follow the revised format. The risk dashboard would follow to Board meetings for information, annexed to the Audit Committee minutes. This was intended to assist the Board and Audit Committee in the strategic oversight of risk, while retaining the granularity of risk assessment and mitigation by College management.
186. Members generally welcomed the new format and agreed that it should be kept under review by the Audit Committee to ensure that the assurance report against the summative risks retained sufficient detail on significant individual risks and that the individual risks continued to each be scored on the risk dashboard.
187. The Board noted that the Risk Management Plan presented a solid appraisal of the main risks facing the College, together with clear and appropriate management controls to address the risks identified in the 2016/17 risk register.
188. The Principal agreed to consider queries from individual Members as to the precise wording of risks 2.2, 3.4 and 8.1 and Summative Risk 7.
189. **Resolved** – that the Risk Management Plan 2016/17 be approved with some minor amendments:
 - a) The addition in the Risk Management Plan of a statement about the role of the committees of the Board in contribution to the oversight of risk management;
 - b) Revisions to the wording of the ownership of Summative Risk 1 and the control to Summative Risk 2.

SELF-ASSESSMENT REPORT

190. The Deputy Principal gave a presentation on early high level Self-Assessment Report (SAR) indicators for 2015/16, ahead of the SAR being received at the Quality & Standards Committee in November and the Board of Governors meeting in December.
191. Members discussed the factors which could support the College in achieving Grade 1 ratings in the future and what ambitions College management had for raising achievement percentage scores. It was noted that the SAR would provide value added data to enhance understanding of the impact of teaching and the outcomes for learners.
192. The Board acknowledged the positive early indicators of success, particularly in a challenging financial climate, and asked the Principal and Deputy Principal to convey the appreciation of the Board to members of staff.

HEALTHCHECK REPORT

193. The Board had received and noted the latest College Healthcheck Report (no. 2016/07).

COLLEGE POLICIES

194. The Board received the report of the Deputy Principal proposing changes to College policies for the 2016/17 academic year.
195. The proposed policies sought to introduce to the FE admissions policy a process for rescinding offers after enrolment in exceptional circumstances and to decouple the HE admissions policy to reflect the different requirements, notably of UCAS, for higher education study.
196. **Resolved –**
 - a) that the Admissions Policy be replaced with the Further Education & Apprenticeships Admissions Policy and the HE Admissions Policy and that both policies be approved;
 - b) that minor amendments to the Policy and Procedures for Higher Education Academic Performance be approved.

FINANCE

197. The Board had received the report of the Director of Finance on the end of year financial position 2015/16 and early indications on progress with the 2016/17 budget year.
198. The Director of Finance noted that the College remained on track for a Good financial rating from the SFA for the 2015/16 financial year, albeit that he had yet to test two new elements in the model. The final accounts for the year 2015/16 were still to be confirmed but were expected to show a significant surplus.
199. The banking financial covenants on long term loans continued to be monitored regularly by the Finance team and were anticipated to be met in 2015/16.

PROPERTY

200. The Board had received the report of the Principal on the implementation of the Three-Year Property Strategy.
201. The Principal explained proposals to release funding and investment in order to progress delivery of capital projects set out in the Property Strategy, for the purposes of strengthening and expanding the business of the College, through the sale of some buildings and with the consent of the College's lending banks.
202. Members recognised the strategic need to invest in facilities for learners and discussed whether there were alternatives available to property disposals and what was in the best interests of current and future learners. It was known that the bank lending had become harder to obtain in the FE sector and the Director of Finance cautioned that banks would be likely to want security on any new loans. Members sought information about the commercial rents being paid on the properties proposed for sale and noted that the level of rent did not provide an opportunity for applying for match-funded grants.
203. Members also sought assurances as to the impact on the whole College estate and that College management had received adequate professional advice in bringing forward proposals and agreeing sale prices. The Director of Finance confirmed that advice had

been sought on the alternatives for selling the Westley Cottages site for development or as individual properties and valuations obtained from more than one agent. The conclusion was that better value, with less risk, would be obtained by selling the properties individually and over the next year or two.

204. Members noted that the Westley buildings were residential and did not in themselves serve the learners but that the value released from sales could be increased through match-funding to invest strategically for the future.
205. The Board recognised that, while the cash could not be easily ring-fenced, it would be allocated to invest in future capital projects. Members also supported the proposed immediate investment from the cash generated by the property sales in Equine facilities.
206. **Resolved –**
- a) that No 1 Westley Cottage and Westley Bungalow be sold by the College;
 - b) that the sale in principle of the other three Westley Cottages be agreed and the timing of these further sales delegated to the Resources Committee;
 - c) that College management commence a marketing evaluation of Cricklade House (the Music Academy at Andover College) on the basis that a decision to sell would require the further approval of the Board of Governors when more information about the risks and benefits was known;
 - d) that College management be delegated authority to negotiate the potential sale of a strip of land around Nos 3 and 4 Garstons Cottages to the existing owners if appropriate;
 - e) that the amounts from the sales at (a) and (b) be allocated to invest in capital projects, subject to satisfactory business cases being approved, except for the sum of up to £120,000 plus VAT to be spent replacing stables at the Equine Centre and installing a new Equine Centre Reception once a sale has been achieved.

QUALITY & STANDARDS COMMITTEE

207. The Board had received the unconfirmed minutes of the meeting of the Quality & Standards Committee (Q&S) held on 21 July 2016, together with the College's Prevent Risk Assessment and Action Plan which had been approved by Q&S under authority delegated by the Board.
208. Q&S had welcomed the introduction of a new Curriculum Development and Quality Improvement Policy and looked forward to receiving termly progress reports, linked to the Quality Improvement Plan.
209. The Board noted that Q&S had also approved revisions to the Safeguarding Learners Policy to include the new External Speakers Policy.

SEARCH COMMITTEE

210. The Board had received the unconfirmed minutes of the meeting of the Search Committee held on 9 September 2016, together with proposed revisions to the Job Description and Role Specification for an external governor.
211. The recruitment for a new external governor to fulfil the vacancy which would arise on the retirement of Mr Peter Lloyd would commence in October.
212. The Board agreed that the minutes of the Search Committee meeting which covered key matters under the Committee's terms of reference provided the equivalent of the annual report to the Board from the Search Committee, which was recommended by the Code of Good Governance, and that there was no current need to introduce a new report.
213. **Resolved** – that the revised Job Description and Role Specification for an external governor be approved with minor amendments.

ANDOVER TOWN FOOTBALL CLUB LIMITED

214. The Board had received the report of the Vice Principal – Curriculum on developments to the management of Andover Town Football Club and proposing changes to the composition of the board of directors of Andover Town Football Club Limited.
215. The Board noted the decision of the Andover Town Football Club Limited Directors to allow Directors who are not employed by the College to Chair the Football Operations of the Club but that budget accountability at the Club was still to the Vice Principal, Curriculum.
216. Responding to a question about the balance of interests on the Board of Directors, the Principal explained that the appointment of the Sparsholt Football Academy Manager provided a beneficial formal link between the strategic aims of the Club and the College's football offer and football academy .
217. **Resolved** – that the composition of the Board of Directors of Andover Town Football Club Limited be revised to replace the Head of Faculty, Sport & Equine, with the Sparsholt Football Academy Manager.

GOVERNANCE

218. The Board received the report from the Clerk the Corporation providing a detailed account of the outcomes of the Board's performance effectiveness review for 2015/16 and updating on related governance matters.
219. The Board's procedures for reviewing governance performance had been assessed against the Code of Good Governance for English Colleges and the requirements were either fully or partially met. A number of revisions were proposed to the procedures for the evaluation of the performance of the Board in order to bring them in line with the requirements of the Code of Good Governance for English Colleges.
220. The Board was satisfied that the composition, structure and operations of the Board were effective and remained fit for purpose. There were a number of suggestions for areas of improvement arising from the review that the Clerk undertook to action through business planning and ongoing development activities.
221. **Resolved** – that the revised Procedures for Reviewing and Reporting Performance and the revised terms of reference for the Search Committee be approved.

AREA REVIEW

222. The Board had received the draft recommendations of the Area Review and discussed the outcomes of the Area Review in relation to the College.

223. **Resolved** – that the draft recommendations of the Area Review in relation to Sparsholt College Hampshire be approved subject to some minor revision to wording to be agreed by the Principal.
224. Confidential items were discussed and are recorded separately. The meeting closed at 1.20 pm.